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July 26, 2023

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Announcement regarding change in reportable segments

CUC Inc. (“CUC”) announces that it has changed the reportable segments from the first quarter of the fiscal year ending March 31, 2024. Details are provided below.

1. Outline of the change in segment structure

| Former segments | | New segments |
|-------------------------------------|-----------------------------|----------------------------|
| Management Support segment | | Management Support segment |
| In-home Nursing/ Hospice segment | In-home Nursing business | Hospice segment |
| | Hospice business | In-home Nursing segment |

2. Reason for the change in reportable segment

Until the previous fiscal year, CUC group aggregated In-home Nursing business and Hospice business as In-home Nursing/Hospice segment considering the similarity of services and long-term profitability.

On the other hand, CUC has raised capital by listing on the Tokyo Stock Exchange in June 2023 and plans to use the funds for the construction of hospice facilities. CUC expects long-term profitability of Hospice business to become different from In-home Nursing business by accelerating the construction of relatively larger hospices which are expected to generate higher margin than existing small hospices.

Therefore, CUC has changed the reportable segments from “Management Support” and “In-home Nursing/Hospice” to “Management Support”, “Hospice” and “In-home Nursing” from the first quarter of the fiscal year ending March 31, 2024.

3. Financial results forecast by reportable segments for the fiscal year ending March 31, 2024

In relation to the change in reportable segments, financial results forecast by reportable segments described in the “Announcement regarding Financial Results in accordance with the Listing on the Tokyo Stock Exchange Growth Section” announced on June 21, 2023, have been reclassified as follows in accordance with the new segment classification. Consolidated financial results forecast for the fiscal year ending March 31, 2024 is unchanged from the forecast announced on June 21, 2023.

(Millions of yen)

| | Revenue | | | Segment profit | | |
|--------------------|----------------------|--------------------|---------|----------------------|--------------------|---------|
| | 2024/3 (Forecast) | 2023/3 (Actual) | Change | 2024/3 (Forecast) | 2023/3 (Actual) | Change |
| Management Support | 10,784 | 16,441 | (34.4%) | 3,395 | 2,955 | 14.9% |
| Hospice | 10,382 | 6,633 | 56.5% | 451 | 191 | 136.2% |
| In-home Nursing | 11,168 | 12,192 | (8.4%) | 505 | 1,351 | (62.6%) |
| Others | 199 | 205 | (3.1%) | 22 | 29 | (24.1%) |
| Total | 32,533 | 35,473 | (8.3%) | 4,373 | 4,526 | (3.4%) |
| Adjustment | (670) | (263) | - | (928) | (843) | - |
| Consolidated | 31,864 | 35,210 | (9.5%) | 3,444 | 3,683 | (6.5%) |

| | EBITDA | | |
|--------------------|----------------------|--------------------|---------|
| | 2024/3 (Forecast) | 2023/3 (Actual) | Change |
| Management Support | 4,276 | 3,492 | 22.4% |
| Hospice | 880 | 475 | 85.4% |
| In-home Nursing | 1,109 | 1,820 | (39.1%) |
| Others | 39 | 39 | (1.1%) |
| Total | 6,304 | 5,827 | 8.2% |
| Adjustment | (928) | (844) | - |
| Consolidated | 5,375 | 4,982 | 7.9% |